

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

HM&FW Department - Strategies to improve expenditure management based on financial audits in health sector - Finalization of Explanatory Notes and Action Taken Reports – Action plan for making improvements in health care delivery services – Entrustment of work to the Institute of Public Auditors of India - Orders – Issued.

---

**HEALTH, MEDICAL AND FAMILY WELFARE (N) DEPARTMENT**

**G.O.Rt.No.1444**

**Dated: 17<sup>th</sup> September, 2008**

**Read the following :**

1. D.O. letter No.2201-A/11/PAC/06, dated 15 October 2007 from the Special Chief Secretary to Government, Finance Department.
2. Government letter No.22579/N2/2007-1, dated 30 January 2008 to the President Institute of Public Auditors of India, AG's office complex, Hyderabad.
3. Letter No.IPAI/Hyd/Health/2007-09/253, dated 22 February 2008 from the President, Institute of Public Auditors of India, AG's office complex, Hyderabad.
4. D.O. letter No.2922-C/27/PAC/08, dated 23 February 2008 from the Principal Secretary to Government (IF), Finance Department.

**-oOo-**

**O R D E R:**

The SPIU-Health of Health, Medical & Family Welfare Department has come up with Health Department's Change and Delivery Plan for the year 2008-09 containing a basket of reform initiatives under DISA and one of them is the project titled "Strategies to improve expenditure management based on financial audits in health sector" with main view to increase the utilization of funds and improve the health care delivery services to all sections of people.

The objectives of the above initiatives include:

1. To review the sub-department wise audit paras in the Comptroller and Auditor General (C&AG) reports for the years 2000-01 to 2006-07 (including the comments incorporated in the Appropriation Accounts) as presented to the State Legislature.
  2. To enlist and review Public Accounts Committee (PAC) recommendations for the years 2000-01 to 2006-07
  3. To review the explanatory notes and action taken reports submitted by the sub-departments.
  4. To finalize para-wise replies / 'Explanatory Notes' (ENs) in respect of pending paras and 'Action Taken Reports' and (ATRs) for the above period.
  5. To prepare a strategy framework to improve the expenditure management, leading to optimum utilization of funds, covering the sub-departments in DoHMFw and facilitating filling of the gaps in explanatory notes and action taken reports.
2. The urgency to finalize replies / 'Explanatory Notes' in respect of outstanding Audit Paras in the Comptroller and Auditor General (C&AG) Reports and 'Action Taken Reports' (ATRs) in respect of Public Accounts Committee (PAC) recommendations, is stressed by the Finance Department time and again and further, this finds a mention in the Fiduciary Risk Assessment Matrix. Besides furnishing replies to the comments incorporated in the Appropriation Accounts, as per C&AGs Report for the

(p.t.o.)

period ending 31<sup>st</sup> March 2007, finalization and submission of Explanatory Notes for the paras from the Audit Report for the year 2000-01 to 2006-07 and submission of Action Taken Reports in respect of 26 cases is outstanding .

3. In the letter third read above, the professional Institute of Public Auditors of India (IPAI), a Society registered under Societies Act located in AG's Office Complex, Hyderabad, have communicated its willingness to take up the above assignment/ project on payment of Rs.2.50 lakhs (Rs. two lakhs and fifty thousands only). Taking up this project under DISA in 2008-09 has also been approved by the Project Formulation and Implementation Review Committee (PFIRC) and concurred by the Finance Department. It is expected that the output generated out of this exercise will be highly useful for making all round improvements including the system of health care delivery in the Department in perpetuity .

4. Accordingly, the Government after examining the matter carefully, hereby sanctions entrustment of the above work to the IPAI on payment of Rs.2.50 lakhs (Rs. two lakhs and fifty thousands only) under DISA programme of SPIU-Health as per the scope, schedule and terms and conditions briefed hereunder;

***(a) Scope of Work***

- i) conduct critical study of the audit paras/ reports, comments in the Appropriation Accounts and the recommendations of the PAC.
- ii) Verify the replies furnished by the HODs with primary records.
- iii) Prepare cogent and cohesive final draft replies /ENs for the pending paras / ATRs based on the inputs and replies received/ to be obtained from the HODs.
- iv) Conduct on its own, if necessary local visits to the HODs for the connected purpose.
- v) Submit timely the finalized reports for approval by the Principal Secretary.
- vi) After approval of replies, ENs/ATRs prepare booklets and monitor its submission to the concerned authorities.
- vii) prepare a Summary of points focusing the thrust areas and an action plan for taking remedial measures based on the valuable suggestions and recommendations made for improving expenditure /utilization of funds and health care delivery services.

***(b) Schedule of the work***

The study and completion of the work assigned shall be achieved within a maximum period of six months from the date of award of the contract. The deliverables of the consultancy is expected to comprise:

- Draft Action Plan
- Finalization of ATRS
- Finalization of para wise ENs for 2005-06 and 2006-07 (including comments incorporated in the Appropriation Accounts)
- Finalization of para wise ENs for 2003-04 and 2004-05 (including comments incorporated in the Appropriation Accounts)
- Finalization of para wise ENs for 2000-01, 2001-02, and 2002-03 (including comments incorporated in the Appropriation Accounts)
- Completion report with summary of suggestions and recommendations and suggested action plan as at (vi) above.

**(c ) Terms of Payment**

- i) 20% of the agreed amount to be paid upfront,
- ii) 80% balance will be paid in not more than four instalments linked to the finalization of entrusted work as per the scope and schedule indicated above.

5. The study/ exercise will be carried out by the IPAI Team in consultation and by interacting with the Financial Adviser of the Health, Medical and Family Welfare Department. Upon completion of the work the team will finalize the para wise replies / Explanatory Notes and other reports on year to year basis and submit the same to the Financial Adviser for scrutiny and obtaining the approval of the Principal Secretary.

6. The CGG will be releasing the payments based on the progress submitted by the IPAI duly certified by the Principal Secretary (H).

7. This order issues with the concurrence of the Finance Department vide their U.O.No.19551/138/A.1/Expdr.MH&FW.I/08, dated 02 August 2008.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**P.K.AGARWAL**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To  
The President,  
IPAI, AG's Office complex,  
Hyderabad,

All the Heads of the Departments under the control of HM&FW Department  
All the Deputy Secretaries in HM&FW Department  
All the Sections of HM&FW Department

[ for information and necessary action as is called for)

**Copy to** The DG/ CGG for information and necessary action.

The Finance (Expdr.MH&FW.I) Department

**// FORWARDED :: BY ORDER //**

**SECTION OFFICER**